

MICHIGAN COMMISSION OF AGRICULTURE
Geagley Laboratory
Gordon Guyer Room
1615 S. Harrison Rd.
East Lansing, MI 48823

MEETING MINUTES
JULY 19, 2005

PRESENT:

James Byrum, Chair, Commission of Agriculture
James Maitland, Vice-Chair, Commission of Agriculture
Ann Jousma-Miller, Secretary, Commission of Agriculture
Douglas Darling, Commission of Agriculture
Dale Norton, Commission of Agriculture
Dan Wyant, Director, Michigan Department of Agriculture

OTHERS PRESENT: (all or part of the meeting)

Soji Adelaja, Land Policy Program (MSU)
Catherine Bratus, Food & Dairy Division, MDA
Mike Beck, Wine Michigan
E.J. Brown, Michigan Association of Fairs & Exhibitions
Kendra Butters, Senate Majority Policy Office
Jerry Crandall, Michigan Information Research Service
Keith Creagh, MDA
Brad Deacon, MDA
Charles Edson, Bel Lago Winery
Jeremy Glaspie, Springport Public Schools
Mike Green, Rural Partners
Mary Beth Lake, Land Policy Program (MSU)
William Medeza, Rural Partners
Deb Merrill, MDA
Ron Nelson, Michigan Farm Bureau
Rick Ray, New Era Canning Company
Tonia Ritter, Michigan Farm Bureau
Maulshree Upadhyaya, Land Policy Program (MSU)
Christine White, MDA
Jerry Wojtala, Food & Dairy Division, MDA

CALL TO ORDER AND ROLL CALL

Chair Byrum called the meeting of the Commission of Agriculture to order at 10:02 a.m. on Tuesday, July 19, 2005. Commission Jousma-Miller called the roll with Commissioners Byrum, Darling, Norton, Jousma-Miller and Maitland present. Director Wyant arrived at 10:10 a.m.

APPROVAL OF AGENDA

MOTION: COMMISSIONER MAITLAND MOVED APPROVAL OF THE JULY 19, 2005 AGENDA. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF JUNE 16, 2005 MEETING MINUTES

Chair Byrum noted a change in the minutes to reflect Commissioner Norton attending the Animal ID meeting instead of Commissioner Darling. Editorial changes were noted on pages 5, 11 and 12.

MOTION: COMMISSIONER DARLING MOVED APPROVAL OF THE JUNE 16, 2005 MEETING MINUTES WITH NOTED CORRECTIONS. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF JULY 13, 2005 MEETING MINUTES

Chair Byrum noted editorial changes on the first page reflecting the correct location of the meeting and correct date of the meeting.

MOTION: COMMISSIONER NORTON MOVED APPROVAL OF THE JULY 13, 2005 MEETING MINUTES WITH NOTED CORRECTIONS. SECONDED BY COMMISSIONER JOUSMA-MILLER. MOTION CARRIED UNANIMOUSLY.

NEXT MEETING

The next meeting of the Commission of Agriculture is scheduled for September 22, 2005, in the Monroe County area with a tour being planned for September 21, 2005. Tonia Ritter (Michigan Farm Bureau), Commissioner Darling and others are working out the details. The tentative schedule includes a large livestock operation, a large water user, and greenhouse operation.

COMMISSIONERS' TRAVEL

- MAEAP 100th Certification Presentation at Black Star Farms, Suttons Bay, Commissioner Maitland
- Emerald Ash Borer Community Meeting in Boyne City, Commissioner Maitland
- Upper Peninsula Cattleman's Association as guest speaker, Commissioner Jousma-Miller
- Biodiesel meeting, Commissioner Jousma-Miller
- Michigan Farm Bureau Conference, panel speaker, Commissioner Darling
- Rural Urban Day in Jonesville, Commissioner Norton

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE ABOVE TRAVEL FOR THE COMMISSIONERS. SECONDED BY COMMISSIONER NORTON. MOTION CARRIED UNANIMOUSLY.

INCOMING MICHIGAN DEPARTMENT OF AGRICULTURE DIRECTOR, MITCH IRWIN

Mr. Irwin thanked the Commission for their confidence and support. He commented that it is exciting to be part of the agriculture community and looks forward to working with and for the Commission.

COMMISSION COMMENTS:

Commissioner Jousma-Miller attended a biodiesel meeting that went extremely well.

There were approximately 150 cattlemen at the Michigan Round-Up this summer and went well. Commissioner Jousma-Miller's speech focused on Bovine Tuberculosis (TB).

When the "Top 50 Businesses to Watch" list was announced, five were in the Upper Peninsula (UP). VanAire, Inc. from Gladstone was one of them.

Commissioner Norton commented that they have tagged all their cattle with electronic IDs.

He stated that the Rural Urban Day event he attended at Godfrey's in Jonesville went well. Speakers included Director Wyant, Rep. Bruce Caswell, Senator Cameron Brown and Congressman Joe Schwarz. A presentation was made to former Commissioner Bill Pridgeon for his service on the Commission.

Commissioner Darling stated that crops are beginning to improve, rains are more widespread.

He served as a panelist for a Michigan Farm Bureau regional meeting, discussing the upcoming farm bill, international trade and marketing. The meetings were well attended. There was a great deal of concern over the declaratory ruling from the Michigan Department of Environmental Quality (MDEQ). The new ethanol plant in Riga is scheduled to break ground this fall.

Commissioner Maitland reported that cherry harvest was in full swing. Quality is good, but small due to little rain. He discussed the Emerald Ash

Borer (EAB) infestation at the state park in Boyne City. He commended MDA staff in their presentation to the public at the meeting.

The 100th MAEAP award ceremony was held at Black Star Farms in Suttons Bay. There were approximately 15 other area farms that also received certification, primarily fruit farms.

Commissioner Maitland proposed a resolution to the Commission supporting limited direct wine sales and distributed copies to the Commissioners for consideration.

MOTION: COMMISSIONER MAITLAND MOVED FOR ADOPTION OF THE RESOLUTION TO SUPPORT LIMITED DIRECT WINE SALES AS PRESENTED. SECONDED BY COMMISSIONER NORTON.

Commissioner Byrum offered an amendment to include the Michigan Legislature in the distribution of the resolution.

MOTION CARRIED UNANIMOUSLY.

Commissioner Byrum commented that he appreciated the cooperation of the Commission and staff members during the selection process for the new director.

Wheat harvest is under way, with white wheat yields down 10-15%. Generally, the crop is great. White wheat is important to the milling and cereal industry. There are dry spots everywhere in the state and that is hurting production.

Methamphetamine production continues to increase as a serious problem. Anhydrous ammonia is a raw material used in the production of methamphetamine.

DIRECTOR'S REPORT

Director Wyant congratulated the Commission and Mr. Irwin. He commented that the process was handled very professionally and he is looking forward to the transition. He believes that Mr. Irwin will be a tremendous Director of Agriculture. They will begin discussing the priorities of food safety and security, the environmental stewardship initiatives in place, agriculture development issues, both exporting and domestic production and consumer protection issues.

He stated that he had empowered the Governor's Cabinet members to be ambassadors of agriculture. He shared that each member was given a commodity to support at his last Cabinet meeting.

RESOLUTION HONORING SANDRA GROLEAU

Director Wyant presented a resolution for Sandra Groleau's retirement from the Department of Agriculture after 25 years of service to MDA.

MOTION: COMMISSIONER MAITLAND MOVED TO APPROVE THE COMMISSION RESOLUTION FOR SANDRA GROLEAU ON HER RETIREMENT FROM STATE SERVICE. SECONDED BY COMMISSIONER DARLING. MOTION CARRIED UNANIMOUSLY.

RESOLUTION HONORING DIRECTOR DAN WYANT

Commissioner Byrum presented a resolution for Director Dan Wyant for his nine years of service, leadership and professionalism.

MOTION: COMMISSIONER JOUSMA-MILLER MOVED TO APPROVE THE COMMISSION RESOLUTION FOR DIRECTOR DAN WYANT ON HIS DEPARTURE FROM STATE SERVICE. SECONDED BY COMMISSIONER DARLING.

The Commissioners read the entire resolution aloud.

MOTION CARRIED UNANIMOUSLY.

Director Wyant stated that there are a number of issues on the agenda from CAFO issues and water use to expanding opportunities for Michigan agriculture. Among those, ethanol, value-added opportunities, exports, and work in food security. Director Wyant will be working with Mr. Irwin to bring him up to speed and hit the ground running.

NEW ERA CANNING, RIGHT TO PROCESS INSPECTION REPORT: Dr. Mark Uebersax, Michigan State University (via conference call); Gerald Wojtala, Deputy Division Director, Food & Dairy Division, MDA

Mr. Wojtala reviewed the process thus far. On June 16, 2005, the Agriculture Commission charged a team from MDA and Michigan State University (MSU) to assess the operating conditions at New Era Canning Company and evaluate adherence to Generally Accepted Processing Practices. A team was assembled led by Dr. Mark Uebersax of MSU, a distinguished expert in the fruit and vegetable processing field. A report on the June 23, 2005 site assessment conducted at New Era Canning, was distributed to the Commission. The report contains the conclusions of

Dr. Uebersax, along with background and supporting information collected by the team. The team was aware of on-going issues with MDEQ and the wastewater treatment at New Era, and the team noted they were not reporting on the efficacy of the wastewater treatment system. The focus was on practices and procedures in place at the plant, and compliance with food laws, other existing laws enforced by MDA and comparisons of accepted practices used at other fruit and vegetable operations.

The Michigan Agriculture Processing Act does not supersede the Natural Resources Environmental Protection Act.

Dr. Uebersax supported the statements made by Mr. Wojtala. Dr. Uebersax stated that he had conducted the study, evaluating the materials provided by MDA, through normal inspections have utilized, and also some third party audits. His conclusion was that operations at New Era were well within the range of acceptable practices for the food processing industry. They are fully compliant with all expectations, and the evidence supports that. Dr. Uebersax's observations led him to believe that it is operating well within the expectations of a food processing industry.

Director Wyant referred to the summary, pointing out the conclusions of the report. New Era Canning was utilizing appropriate Generally Accepted Processing Practices and numerous best practices in their food processing facility as required by PA 381 of 1998. There is no evidence of operational procedural activities that contribute to overt nuisance to the surrounding community and environment. The procedures and practices employed are acceptable and well within the standards established both by regional and national basis.

Dr. Uebersax stated that this processing plant was confined by its location and space around it. The facility is old, but with the proper procedures, it can well be operated safely and at high levels of quality.

Commissioner Byrum stated that operating the plant does not speak to the environmental compliance. Dr. Uebersax agreed saying that with any operating, it is the totality of that operation, waste treatment being integral to acceptable practice. He viewed that this is a very strong, modern waste treatment facility, but did not test it as such. By design it is a very high quality waste treatment facility, but determining the efficacy of the plant would be under the expertise of MDEQ.

Commissioner Darling reviewed that the Commission's charge was specifically to determine whether New Era Canning Company was using

Generally Accepted Processing Practices, not to determine compliance with environmental regulations that lies with another department.

Director Wyant summarized that PA 381 mirrors the Right to Farm Act in that it charges the Commission with making a determination whether Generally Accepted Practices are being followed and if so, provides nuisance protection. In this case, a team of MDA staff and Dr. Uebersax, a recognized scientific expert, participated in this study. Dr. Wyant offered three options: to act on the report immediately, recognizing that third party experts have made a determination and the Commission agrees with the recommendation; review the information and return next month to make a determination; or deny the recommendation and not support the finding.

Commissioner Byrum stated the there are some statues that deal with environmental compliance that would be difficult for the Agriculture Commission to address.

MOTION: COMMISSIONER DARLING MOVED THAT THE COMMISSION RECEIVE AND ACCEPT THE FINDINGS AND SUMMARY ON NEW ERA CANNING COMPANY THAT THERE IS NO EVIDENCE OF OPERATIONAL AND PROCEDURAL ACTIVITIES THAT CONTRIBUTE TO OVERT NUISANCES TO THE SURROUNDING COMMUNITY AND ENVIRONMENT AND THE PROCEDURES AND PRACTICES EMPLOYED BY NEW ERA CANNING COMPANY ARE ACCEPTABLE AND WITHIN THE STANDARDS ESTABLISHED. SUPPORTED BY COMMISSIONER MAITLAND.

Commissioner Byrum asked Gordon Wenk, Director, Environmental Stewardship Division (ESD), to share a letter received from MDEQ regarding Right to Process. Mr. Wenk stated that, in the spirit of cooperation, MDA had shared the New Era report with MDEQ. MDEQ responded indicating the responsibility for regulatory action (in terms of wastewater) lies with MDEQ. He shared other issues of concern dealing with wastewater treatment.

MOTION CARRIED UNANIMOUSLY.

He thanked Mr. Wojtala, Katherine Fedder and Dr. Uebersax for their leadership on the project. He recognized and thanked MDA staff Byron Beerbower, Sue Brace, Kathy Bratus and Wayne Whitman for their work on this project.

Commissioner Byrum recognized Rep. Goeff Hansen in attendance from Hart. New Era Canning is located in his district and he wanted to be aware of developments with this issue. Peter Wills, aide to Rep. Hansen and Jeff Cobb, aide to Senator VanWoerkom, were also in attendance.

Rick Ray, New Era Canning Company, thanked the Commission and MDA for the prompt response and attention to this issue. He also stated that as a member of the Food Processors Association he looks forward to working with the new director on his transition and thanked Dan Wyant for his service and creating a great environment to do business in Michigan.

Dr. Uebersax expressed his appreciation for the teamwork and support he received through the report process.

Commissioner Darling urged the legislative staff present to talk with MDA and MSU staff with questions. He stated that once you see the depth of knowledge and commitment to the industry and quality of their work, you would have confidence in the decision.

RECOGNITION OF TIM DOPPEL, ATWOOD LAWN CARE, PESTICIDE ADVISORY COMMITTEE

Tim Doppel served for 16 years on MDA's Pesticide Advisory Committee representing pesticide applicators. MDA registers all pesticides used in Michigan, enforces its use and requires training certification anywhere pesticides are used. Mr. Doppel has been a tremendous leader and the successes have come from partnerships and willingness to work to manage issues. Director Wyant presented Mr. Doppel with a plaque in appreciation for years served.

MOTION: COMMISSIONER MAITLAND MOVED TO SUPPORT THE RECOGNITION AWARD TO TIM DOPPLE. COMMISSIONER NORTON SECONDED. MOTION CARRIED UNANIMOUSLY.

Commissioner Byrum added his personal thanks and good wishes.

POTATO COMMISSION REDISTRICTING: Ben Kudwa, Executive Director, Michigan Potato Industry Commission (MPIC)

Mr. Kudwa thanked Director Wyant for his years of leadership.

Mr. Kudwa distributed a document outlining the Michigan Industry Potato Industry Commission redistricting request. The request is to downsize the MPIC from 15 members to nine, eliminate multiple districts and establish a single district. The membership would be comprised of two from the

snack manufacturing industry, two representing the seed industry, two representing the fresh industry and one designated as a shipper representative, one representative designated as a shipper or retailer, and one from any of the above designations.

Because this law was signed by the Governor on July 7, 2005, there is a 30-day waiting period before beginning the redistricting.

Mr. Kudwa's presentation was for information purposes only and he will return at the appropriate time to formally request redistricting.

MOTION: COMMISSIONER MAITLAND MOVED THE COMMISSION RECEIVE THE INFORMATION AND REQUEST THAT STAFF REVIEWS FOR COMPLIANCE WITH PUBLIC ACT 59 OF 2005. SECONDED BY COMMISSIONER DARLING.

In response to a question from Commission Norton, Mr. Kudwa stated that five acres or larger represents commercial potato production.

MOTION CARRIED UNANIMOUSLY.

AGRICULTURE VIABILITY STUDY: Professor Soji Adelaja, Land Policy Program, Michigan State University

Dr. Adelaja shared a PowerPoint presentation, distributed materials and discussed his background work in New Jersey Agriculture. He stated that Michigan has one of the most diverse agricultural sectors in the country and needs special attention and strategy toward the future. He believes this viability study will be critical to the future of agriculture in Michigan.

He reviewed economic statistics for farming in Michigan and stated that as an industry, agriculture needs to be viable, sustainable and able to hold its own as a key economic sector in the state. A viable farm is a farm that generates enough revenue from its operation to cover all variable and fixed costs of production, all appropriate family living expenses, and capital replacement costs.

He discussed the importance of agriculture preservation in Michigan. The most valuable and productive farmland in the state is in the path of development. Many states are struggling with this and Dr. Adelaja has yet to find a state with a model for agriculture economic development policy. Most states think of agriculture development residually, as opposed to having an agricultural development strategy.

New Jersey developed the Ag Economic Recovery and Development Initiative, based on Dr. Adelaja's research and viability study. He feels something similar to that can be done in Michigan.

He encouraged the Commissioners to think beyond production-oriented policy. Issues of market access, how to expand product diversity, new products, new innovations, new technologies and ecological integrity need to be considered. It goes beyond soil quality and productivity.

Viable farms have a tendency to invest and modernize. These farmers have an entrepreneurial spirit, making adjustments and listening for opportunities. A viable farm has friendly relations with the non-farm public and has a positive attitude.

It is extremely important in Michigan to start to think about how to mount an initiative to enhance agricultural viability. If agriculture is not strong in Michigan, there is a lot to lose.

A viability study is needed in Michigan. The United States Department of Agriculture (USDA) collects data that is extremely valuable in assessing the needs of commodity agriculture. However, there are a number of things of which they do not collect data. There are a number of factors that contribute to farm success, but there is a need for data. There are simple, tangible, policy oriented things that can be done if we understand these things better in the performance of agriculture.

He reviewed proposed direct benefits, suggested project partners, and proposed outcomes.

This study would establish the first line of information that is needed to be able to conduct the type of analysis to support a better understanding of agriculture and assist in agriculture policy making in the future.

Commissioner Jousma-Miller complimented Dr. Adelaja on his presentation and echoed the importance of a viability study.

MOTION: COMMISSIONER DARLING MOVED TO SUPPORT THE STUDY OF THE ECONOMIC VIABILITY OF MICHIGAN AGRICULTURE. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY POLICY
UPDATE: Skip Pruss, Deputy Director, Michigan Department of
Environmental Quality (MDEQ)

Mr. Pruss distributed a Fact Sheet summarizing MDEQ's June 15, 2005 Declaratory Ruling regarding the Sierra Club's challenges to MDEQ's Water Bureau's (WB) National Pollutant Discharge Elimination System and General Permit for new large Confined Animal Feeding Operations (CAFO). He reviewed the details leading to the ruling being issued and discussed the process used to reach the decisions included in the Declaratory Ruling.

He discussed and clarified management plans and certain permitting processes.

Mr. Pruss stated that MDEQ should be anticipatory. They need to try and identify those best management practices that provide MDEQ and MDA opportunities to address problems in a pro-active way. He stated that MDEQ would like to be supportive and use regulations as one and approach to help facilitate coming changes.

Commissioner Norton stated that we have to keep food production in perspective. Food is cheap here and not all around the world. Regulation costs money and should be kept in perspective. When it goes what is beyond what is reasonable and economically viable, there is a balance that must be struck in order to maintain viability.

A brief discussion ensued regarding specific issues related to the declaratory ruling. Other states are involved in similar issues.

Mr. Pruss stated that he thinks MDEQ can help producers deal with the changing legal landscape with good communication.

Commissioner Byrum thanked Mr. Pruss for the comprehensive overview and asked Mr. Pruss back at a later date to discuss water issues.

PUBLIC COMMENT:

Mike Beck, Wine Michigan, commented about the proposed bill to ban direct shipping of wine and the ill effects it would have on the wine industry in Michigan. The bill would take away the right for self-distribution and selling out of tasting rooms, forcing wineries to go through the two-tier system. That would take away the entire profit margin.

Charles Edson, Bel Lago Winery, stated that more is being taken away from the industry. It changes the rules under which the industry operates and created their business plans.

Director Wyant stated that the Supreme Court decision did not require a change in self-distribution in their decision in their ruling on interstate shipping. The current proposed bill would take away self-distribution, something the industry has had and benefited from.

The Michigan wine industry is predominantly farm winery businesses. We have carved out a niche of having destination points for people to come and experience the farm winery and for farmers to sell their value-added products through their operations. Losing that unique, cultural niche would clearly have a severe impact on agriculture viability and farmland preservation.

Mr. Edson thanked the Commission for supporting an agriculture enterprise, and in doing so, supported value-added agriculture, those committed to agri-tourism and providing income and contribution to the economy of the state of Michigan.

RECESS:

The meeting was recessed at 12:20 p.m.

RECONVENE:

The meeting was reconvened at 1:00 p.m.

MICHIGAN DEER & ELK MARKETING PROGRAM UPDATE: Alex Draper, Michigan Deer & Elk Producers Committee

Mr. Draper introduced himself and thanked Director Wyant for MDA's assistance and cooperation to their industry. He wished Director Wyant well and looks forward to working with Mr. Irwin in the future.

Ken Keeley was at the June 16, 2005 Commission meeting and discussed appointments from the Governor's office and the need to have positions filled. Representative Neal Nitz has written a letter to the Governor encouraging action on the submissions for appointments.

He discussed the assessment process for the marketing program and the challenges in collecting inventory numbers to determine correct assessment amounts.

He commented on the audit results that were presented at the joint Agriculture and the Natural Resources Commission meeting in April. He

indicated that he has not been contacted from the Michigan Department of Natural Resources (MDNR) regarding audit results. It is his understanding that the legislature is in the process of approving the Governor's budget without any fee increases.

He stated the industry is comprised primarily by small facilities (20-30 acres). There are approximately 700 producers. These 700 facilities provide a boost to the Michigan economy. In agriculture products purchased last year, this industry has generated \$6.4 million, with the regeneration factor, \$48 million. This does not include equipment, land values, taxes, housing, labor and veterinarian services.

The elk industry was at its peak in the mid-90's selling velvet to Korea at approximately \$200 per pound. Once Chronic Wasting Disease (CWD) was found in Korea in exported animals from North America, a ban was put on elk velvet. There is a co-op in Canada that is promoting velvet and venison in North America. There is a large market in California for elk velvet used as a health supplement in pets.

A success story for the cervid industry is the high end breeding market, which grossed \$1.3 million and \$600,000 at sales in Illinois and Indiana.

In May 2005, two producers sent 40 animals to Texas. Because of MDA's CWD accreditation program, they met the stringent import requirements of Texas. Their borders were closed the end of June 2005.

There was negative press about the cervid industry and moving CWD. He feels the negative press is false.

He thanked the Commission for the opportunity to come and provide an update on the industry. Goals for the industry are to return to MDA authority and open Michigan borders with strict import regulations and would like the Commission's support in those activities.

Plant Health Update; Orchard Removal and Emerald Ash Borer: Ken Rauscher, Pesticide & Plant Pest Management Division, Patricia Lockwood, EAB Policy Director

Mr. Rauscher commented that MDA has been involved with orchard removal since the 1940's under PA 72. The involvement has been the removal of abandoned and neglected orchards based on complaints of neighbors or others in the industry. General funds have been available periodically of the years and MDA removed from zero to 200-300 acres of orchards depending on the funding available.

In 2001, the inspection program involved a complaint against the VandenBosch Orchard. As a result, the VandenBosch's claimed MDA did not have legal authority and contested removal of the orchard (approximately a 30-acre orchard.) There was a court hearing and the findings were that MDA did have the authority, but that the procedures used needed to be formally published as part of the rules process. As a result, MDA has not moved forward with any removals. MDA has worked with orchards owners to clean up or remove abandoned orchards at their own expense.

The fruit industry, primarily the Michigan Apple Committee, the Michigan Horticulture Society, Michigan State University and Michigan Farm Bureau, and MDA are working together to determine the needs for this program. One need identified was regulations, including MDA procedures, now being included in the PA 189 amendment process. Additionally, the need has been for funding. One of the funding possibilities could come from EQIP, federal dollars that come through Natural Resource Conservation Service. This is a cost share program and appears to be a viable program for active producers. It probably would not be available for abandoned orchards or those no longer producing fruit, which will continue to be a challenge.

The fruit industry is working with the EQIP sub-group, part of the Michigan Technical Committee, which makes recommendations to the state conservationist. It is anticipated that they will make a request for funding.

Funding will continue to be a challenge. With liens against properties, a hardship exemption can be obtained through the local tax board, and as a result the state does not realize any funds until the property changes hands.

There are approximately 20 abandoned orchards currently identified.

Mr. Rauscher updated the Commission on the Emerald Ash Borer (EAB) quarantine. He shared a brief PowerPoint presentation. 20 counties in southeast Michigan are under quarantine; the balance of the Lower Peninsula is considered a regulated area. There are two new outliers, the cause of which were determined to be firewood moved into the years several years ago.

No hardwood or firewood may be moved into the Upper Peninsula or the rest of the United States from the Lower Peninsula. In terms of logs and lumber, no ash logs or lumber with bark movement is allowed between

May 1 and August 31, 2005. It can be moved from the Lower Peninsula with a compliance agreement during the balance of the year.

Commissioner Darling commented that the results of the EAB are more evident now; the damage is much easier to see.

Mr. Rauscher briefly reviewed the revised trap tree program. It continues to be the best trapping mechanism available, however, United States Department of Agriculture (USDA) is making some progress on a new trap process.

The inspection point at the bridge (jointly staffed with AID/TB Staff) has been very busy. Travelers turn in approximately 5-6 cubic yards of wood per day. Of this, four times as much is turned in at the Welcome Station as is received at the check station across the bridge. There is signage directing consumers into the inspection station.

The wood that is collected at both locations is taken to Grayling for utilization at the power station. Long-term disposal plans are underway, with theft proof dumpsters being designed that can be moved to Grayling for disposal.

There have been legislative changes to increase quarantine violation penalties from \$100 for a misdemeanor to \$1,000 to \$10,000, and for felony convictions with fines ranging up to \$250,000 and five years in prison.

Additionally, MDA now has the opportunity to enforce civil infractions as the legislation provides the authority for ticket writing. Procedures and training are being developed.

Funding challenges continue. Additional funding has not yet been granted for 2005. Currently MDA has resources to run through mid-November. FY 2006 funding is yet to be determined.

Patricia Lockwood spoke briefly about the tree cutting contract and restoration. The tree cutting contract in Madison Heights is working well. They are combining with the city of Royal Oak. There was a meeting in the Saginaw/Bay City area attended by approximately 30 more communities that are interested. No state or federal dollars are used, just resources of homeowners to access through the state contract to cut down their trees at reduced costs, along with municipalities.

The second phase is restoring the trees lost through EAB. MDA is working closely with MDNR, who is lead agency, to work on resources and availability of trees to replace the dead trees. A pilot program will be instituted regionally in September throughout the quarantine area and will report on the progress at a later time.

A diversity of species plantings is being encouraged.

Ms. Lockwood thanked Director Wyant for his leadership and guidance through the program and appreciates everything he has done personally, for the department and the program.

RURAL PARTNERS UPDATE: Mike Green, Executive Director and William Medeza, Chairman

Mr. Green distributed a packet of information to the Commission. He spoke briefly of Tom Guthrie, past Executive Director and Chairman. He introduced Mr. William Medeza, chairman, Rural Development Council. Mr. Medeza shared the background and history of Rural Partners and the changes to the program that have occurred over the years. He also reviewed several successful projects that Rural Partners has assisted with. Rural Partners is about collaboration, not a funding source.

Mr. Green updated the Commission about new board members. He shared a copy of House Resolution 285 (2004) supporting the mission of Rural Partners. The Senate also approved a similar resolution.

Mr. Green reviewed the mission and funding. They are looking for grants and enough funding to keep the council together so that they can continue working with rural communities.

The Council developed a conference with the help of Consumers Energy entitled "A Small Town and Rural Development Conference. The conference was held in April 2005 and had 180 participants. There were a variety of topics covered with keynote speakers from Upjohn, Agracel Inc. and the Federal Reserve Bank. It was very successful. Planning is underway for another conference next year.

Work is also being done to develop a rural caucus within the state legislature.

Mr. Green asked for a resolution of support from the Commission. Chairman Byrum asked Mr. Green to develop a draft for consideration.

Mr. Medeza also stated that, from a tribal perspective, they are concerned about EAB and the fate of the ash trees. There are basket makers that use Black Ash for their work.

ANIMAL INDUSTRY DIVISION UPDATE: Dr. Steven Halstead, Division Director, Animal Industry Division; Kevin Kirk, Special Assistant to the Director, Animal Industry Division

Dr. Halstead updated the Commission regarding Bovine Tuberculosis (TB) activities. A group of individuals traveled to Washington DC to meet with USDA, including Dr. Halstead, Dr. Mike VanderKlok (MDA), Steve Schmidt (MDNR), Pete Butchko (USDA Wildlife Services), Bridget Patrick (MDCH), Reed McCarty and Jim Earl, USDA Area Veterinarian in Charge Office. The group met with USDA staff and discussed, at length, the status of the program in Michigan.

As a result, MDA will be redrafting the Memorandum of Understanding (MOU), in partnership with USDA, as an update and present to USDA by the end of July. It will move the UP to free status and move the Lower Peninsula up a stage (for each of the respective stages). The MOU will lay out agreements and outline necessary activities required to move to the new status. In addition, MDA will provide written justification for the new stages.

USDA is prepared to publish the UP free status information in the Federal Register as an interim rule rather than a proposed rule, which means it will be effective immediately. The goal is to have that published by Labor Day Weekend.

Looking ahead, the plan is to then submit an application in early 2006 for movement of the Lower Peninsula to the next higher stage for each region. That will probably take approximately a year.

A meeting was held with key industry people to share this new development. Dr. VanderKlok met with producers in the modified accredited region and shared the developments.

Work at the Mackinac Bridge checkpoint continues. The checkpoint was staffed for over 400 hours in June. Over 1,600 animals were recorded crossing the bridge, with 95% of them being inspected by MDA staff.

Dr. Halstead relayed an incident with a single cow crossing the bridge that did not stop at the checkpoint. The cow was an Amish wedding gift being delivered to Wisconsin. The animal had been TB tested in 2002, but did not have an ear tag. The only violation at that point was moving off the

farm without a tag. The animal was tagged. The driver was advised to return to the point of origin, or if he crossed state lines, he would be in violation of interstate movement requirements. He continued to Wisconsin. MDA staff relayed information to the Wisconsin Department of Agriculture who visited the destination farm. The cow was eventually slaughtered and had no indications of TB.

Mr. Kevin Kirk updated the Commission on the Bodies of Dead Animals Act (BODA). He stated that rules must be promulgated for active composting of dead animals. This differs from the previous act where the composting had to be done inside a structure. Recent research has shown that it was possible to do static piles, row composting outside of a structure. This will be especially helpful for small farms.

Rules would establish the methodology for conducting the different composting activities. Composting systems would need to accommodate the normal natural daily tissue accumulation from the day-to-day routine operation.

A committee of state agency and industry stakeholders will be involved in the process.

MOTION: COMMISSIONER NORTON MOVED TO GRANT AUTHORITY TO PROMULGATE RULES FOR THE BODIES OF DEAD ANIMALS ACT. SECONDED BY COMMISSIONER MAITLAND. MOTION CARRIED UNANIMOUSLY.

LEGISLATIVE REPORT/EMERGENCY MANAGEMENT UPDATE: Brad Deacon, Legislative Liaison/Emergency Management Coordinator

Mr. Deacon updated the Commission on two Emergency Management Training Exercises scheduled in July. A series of three sessions for administrative and support staff to help them better understand emergency situations and a media/crisis communication training session for approximately 40 staff members.

Of the 70 bills signed by Governor Granholm this year, 11 of them are significant to the agriculture industry. The Governor has signed all three of MDA's priority bills for 2005. Staff will continue to work on the plant law revisions.

Rep. Hansen's bill was signed into law requiring additional record keeping for those selling ammonium nitrate.

The governor signed the Agriculture Tourism Advisory Council bill and appointments will be made by mid-August. The Agriculture and Rural Advisory Council (housed in MDEQ) has also been signed into law.

Work continues on fertilizer legislation including anhydrous ammonia and comprehensive revision of the fertilizer law.

Sen. VanWoerkom and Sen. Stamas have each introduced bills on Right to Process that will be followed closely.

Resolutions were passed in both the House and Senate urging both MDA and MDEQ to continue participating in the Michigan Agriculture Environmental Assessment Program (MAEAP). Additionally, the House passed a resolution honoring and remembering Sandy Hill. A resolution was introduced by the Speaker of the House on behalf of the entire membership honoring Director Wyant and thanking him for his years of service.

Mr. Deacon will be meeting with designee Director Irwin to discuss plans for the remainder of the fiscal year and into the spring. Possible topics may include pasteurized milk ordinance update and the food code.

Mr. Deacon distributed a document prepared at the Governor's request of an overview of legislative activities during Director Wyant's tenure. Mr. Deacon cited Director Wyant's leadership as one of the reasons for the relationships developed to enable MDA to work on so many different issues and respond to the needs of the industry.

Commissioners' Issues

No additional issues were identified.

PUBLIC COMMENT

Ms. Tonia Ritter, Michigan Farm Bureau, addressed the Commission and expressed her best wishes to Director Wyant in his new career.

Ms. Ritter stated that MFB is concerned about the current budget situation and she commented on the jobs and economic environment proposal in the House.

MFB is also concerned about the removal of the tax credit for rail. Rail transportation is of utmost importance for agriculture and agribusiness and if the tax credit is removed, a further degradation of the support of rail in the rural communities will be realized.

Additionally, MFB is concerned about the proposed changes to the Single Business Tax to include farm corporations and how it would impact the farm industry.

MFB has been supportive of the research, moving forward with the changes to the Bodies of Dead Animals Act and look forward to working with MDA on the rule making process.

Ms. Ritter complimented Dr. Halstead and staff for their work with USDA moving forward with the TB status designations in Michigan.

Regarding the MDEQ declaratory ruling, MFB has significant problems with the ruling. MFB feels that there is room for discussion in the interpretation that MDEQ has taken and the process in moving it forward. A meeting will be held to discuss the concerns the industry has and the processes with which MDEQ will be moving forward. MFB will provide a written document to the Commission illustrating the concerns.

ADJOURN

Commissioner Byrum thanked Director Wyant for his professionalism over the years and wished him well.

**MOTION: COMMISSIONER JOUSMA-MILLER MOVED TO
ADJOURN THE MEETING. COMMISSIONER MAITLAND
SECONDED. MOTION CARRIED UNANIMOUSLY.**

The meeting was adjourned at 2:40 p.m.

Attachments:

- A – Agriculture Commission Meeting Minutes June 16, 2005*
- B – Agriculture Commission Special Meeting Minutes July 13, 2005*
- C – Director's Report*
- D – Resolutions: Retirement of Sandra Groleau and Honoring Dan Wyant*
- E – Resolution on Wine Shipment*
- F – New Era Canning/Right to Process Inspection Report*
- G – Potato Commission Redistricting*
- H – Agriculture Viability Study*
- I – MDEQ Declaratory Ruling Fact Sheet*
- J – Michigan Deer and Elk Marketing Program Update*
- K – Plant Health Update*
- L – Rural Partners Update*
- M – Animal Industry Division Update*
- N – Legislative Report/Emergency Management Update*
- O – Public Comment*